



## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Loveland Area Projects and Western Area Colorado Missouri Balancing Authority - Rate Order No. WAPA-197

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of proposed transmission, energy and generator imbalance, and losses formula rates for use under the Western Energy Imbalance Service (WEIS) Market.

**SUMMARY:** The Rocky Mountain Region (RMR) of the Western Area Power Administration (WAPA) proposes to convert its existing rates for short-term sales for RMR to use under the WEIS Market to new long-term formula rates for use October 1, 2021, through September 30, 2024. The existing formula rates (approved under the WAPA Administrator's short-term rate authority) expire on September 30, 2021. No changes are being proposed to the existing formula rates under the rates for short-term sales Rate Schedules L-NFJDT (joint dispatch transmission), L-AS4 (energy imbalance), L-AS9 (generator imbalance), and L-AS7 (balancing authority real power losses).

**DATES:** A consultation and comment period will begin [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] and end [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. RMR will accept written comments at any time during the 30-day consultation and comment period.

**ADDRESSES:** Written comments and requests to be informed of Federal Energy Regulatory Commission (FERC) actions concerning the proposed formula rates submitted by WAPA to FERC for approval should be sent to: Mr. Timothy A. Vigil, Acting Regional Manager, Rocky Mountain Region, Western Area Power Administration, 5555 East Crossroads Boulevard, Loveland, CO 80538-8986, or email: [LAPtransadj@wapa.gov](mailto:LAPtransadj@wapa.gov). RMR will post information about the proposed formula rates

and written comments received to its website at:

*<https://www.wapa.gov/regions/RM/rates/Pages/2021-Long-Term-Rates---WEIS-Market.aspx>.*

**FOR FURTHER INFORMATION CONTACT:** Mrs. Sheila D. Cook, Rates Manager, Rocky Mountain Region, Western Area Power Administration, (970) 685-9562 or email: *scook@wapa.gov*.

**SUPPLEMENTARY INFORMATION:** On March 9, 2017, FERC approved and confirmed LAP transmission and LAP, WACM, and Colorado River Storage Project ancillary services formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (reactive supply and voltage control (VAR) support), L-AS3 (regulation), L-AS4 (energy imbalance), L-AS5 (spinning reserves), L-AS6 (supplemental reserves), L-AS7 (transmission losses), and L-AS9 (generator imbalance) under Rate Order No. WAPA-174 for a 5-year period through September 30, 2021.<sup>1</sup> On December 29, 2020, WAPA's Administrator approved rates for short-term sales for RMR to use under the WEIS Market, which superseded the previously approved Rate Schedules L-AS4 (energy imbalance), L-AS9 (generator imbalance), and L-AS7 (transmission losses) and which created a new Rate Schedule, L-NFJDT (joint dispatch transmission), for the 8-month period February 1, 2021, through September 30, 2021.

The existing formula rates under the rates for short-term sales provide sufficient revenue to recover annual costs within the cost recovery criteria set forth in Department of Energy (DOE) Order RA 6120.2. RMR proposes that the long-term formula-based rates would take effect October 1, 2021. The proposed formula rates would remain in effect until September 30, 2024, or until WAPA changes the formula rates through

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<sup>1</sup> Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket Nos. EF16-5-000 and EF16-5-001, 158 FERC ¶ 62,181 (2017).

another public rate process pursuant to 10 CFR part 903, whichever occurs first. For more information on the proposed rates, please see the customer brochure located on RMR's website at: <https://www.wapa.gov/regions/RM/rates/Pages/2021-Long-Term-Rates---WEIS-Market.aspx>.

Under a separate rate extension process, Rate Order No. WAPA-196, RMR is concurrently proposing to extend the remaining 5-year formula rates under Rate Schedules L-NT1 (network), L-FPT1 (firm point-to-point), L-NFPT1 (non-firm point-to-point), L-UU1 (unreserved use), L-AS1 (scheduling and dispatch), L-AS2 (VAR support), L-AS3 (regulation), L-AS5 (spinning reserves), and L-AS6 (supplemental reserves) for this same 3-year period, October 1, 2021, through September 30, 2024.

This 3-year period would allow RMR time to refine the WEIS Market implementation and investigate the potential expansion of and participation in the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) in the Western Interconnection. The potential expansion of the SPP RTO would have significant impacts on the above rate methodologies. Putting rates in place for the next three years would also allow time for RMR to evaluate what changes would need to be made to these rates before conducting a major rate adjustment process and putting all the necessary formula rates in place for a new 5-year period that would begin on October 1, 2024.

### **Legal Authority**

DOE's procedures for public participation in power and transmission rate adjustments (10 CFR part 903) were published in 1985 and 2019.<sup>2</sup> The proposed action constitutes a minor rate adjustment, as defined by 10 CFR 903.2(e). In accordance with 10 CFR 903.15(a) and 10 CFR 903.16(a), WAPA has determined it is not necessary to hold public information and public comment forums for this rate action but is initiating a 30-day consultation and comment period to give the public an opportunity to comment on

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<sup>2</sup> 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

the proposed formula rates. RMR will review and consider all timely public comments at the conclusion of the consultation and comment period and will make amendments or adjustments to the proposal as appropriate. Proposed rates would then be approved on an interim basis.

WAPA is establishing the formula rates for LAP and WACM in accordance with section 302 of the DOE Organization Act (42 U.S.C. 7152).<sup>3</sup>

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to WAPA's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates to FERC. By Delegation Order No. S1-DEL-S4-2021, effective February 25, 2021, the Acting Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Science (and Energy). By Redelelegation Order No. 00-002.10E, effective February 14, 2020, the Under Secretary of Energy (to whom such authority was delegated by the Secretary of Energy in Delegation Order No. 00-002.00S from January 15, 2020, until that delegation was rescinded on February 25, 2021) redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelelegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. The delegations and redelegations not affirmatively rescinded remain valid.

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<sup>3</sup> This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)) and section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s); and other acts that specifically apply to the projects involved.

## **Availability of Information**

All brochures, studies, comments, letters, memorandums, or other documents that RMR initiates or uses to develop the proposed formula rates are available for inspection and copying at the Rocky Mountain Region, located at 5555 East Crossroads Boulevard, Loveland, Colorado. Many of these documents and supporting information are also available on WAPA's website at: <https://www.wapa.gov/regions/RM/rates/Pages/2021-Long-Term-Rates---WEIS-Market.aspx>.

## **RATEMAKING PROCEDURE REQUIREMENTS**

### **Environmental Compliance**

WAPA is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.<sup>4</sup>

### **Determination Under Executive Order 12866**

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

### **Signing Authority**

This document of the Department of Energy was signed on April 9, 2021, by Tracey A. LeBeau, Interim Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the

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<sup>4</sup> In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321-4347); the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on April 16, 2021.

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Treana V. Garrett,  
Federal Register Liaison Officer,  
U.S. Department of Energy.

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